The background is a dark blue color with several large, overlapping red circles of varying sizes. The circles are semi-transparent, allowing the blue background to show through. The text is positioned on the left side of the image.

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with our investment gurus

Update on smart beta

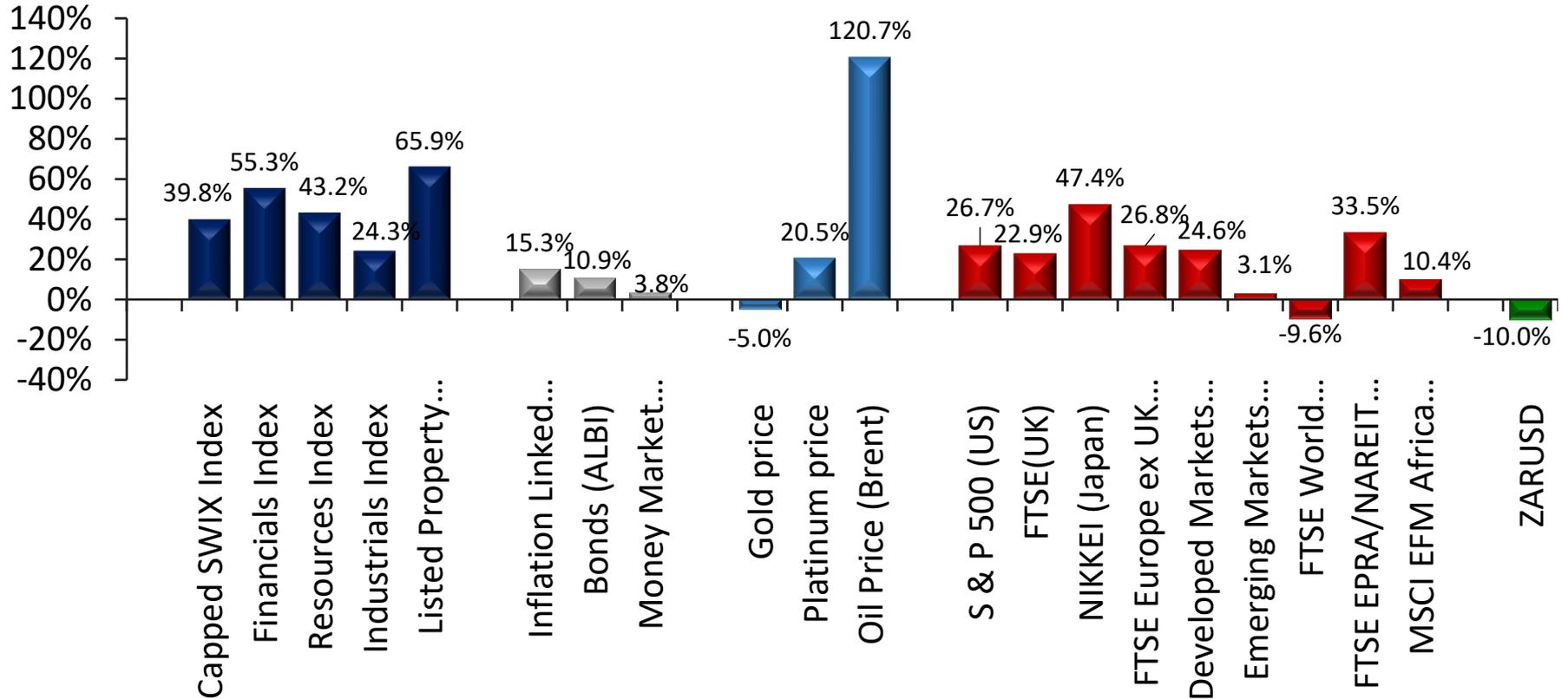
Wayne Dennehy

November 2021

Asset class returns

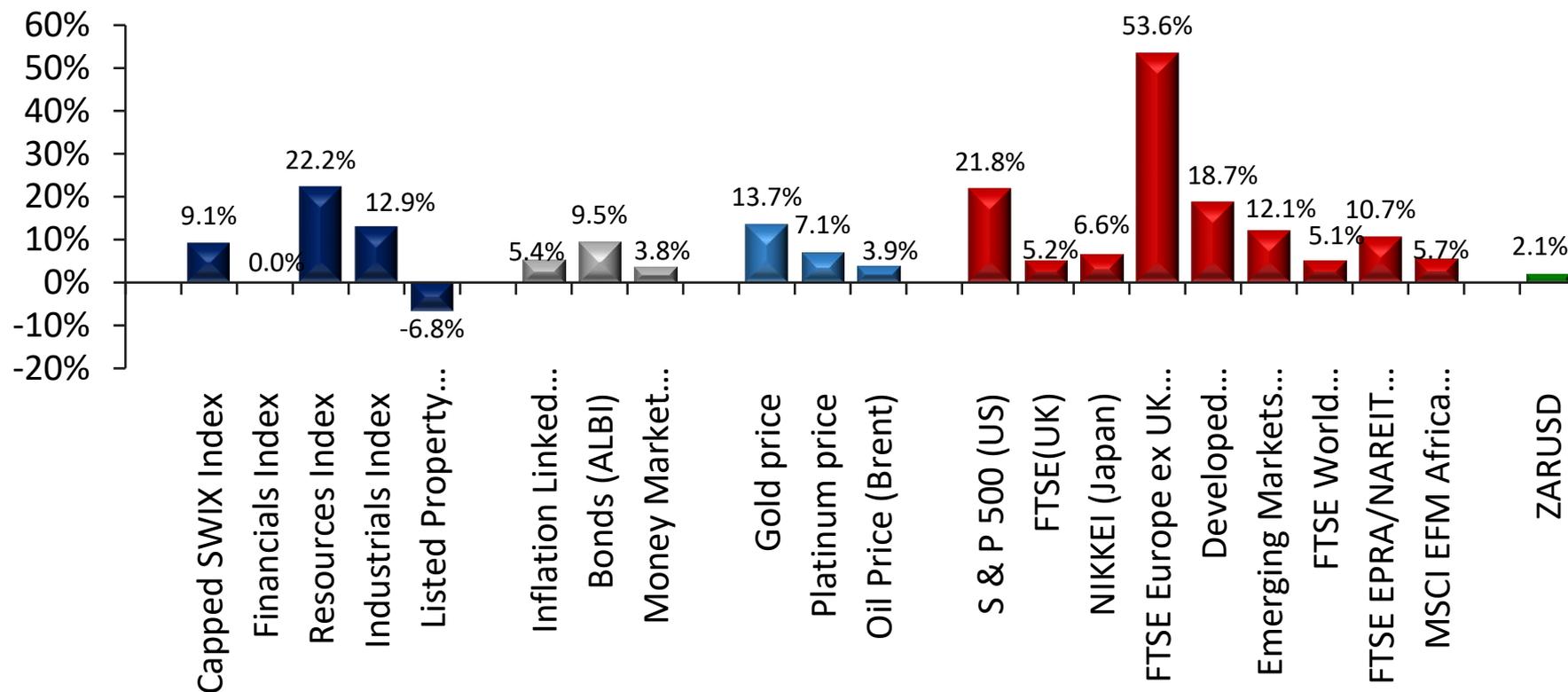


One-year rand returns to October 2021



Asset class returns

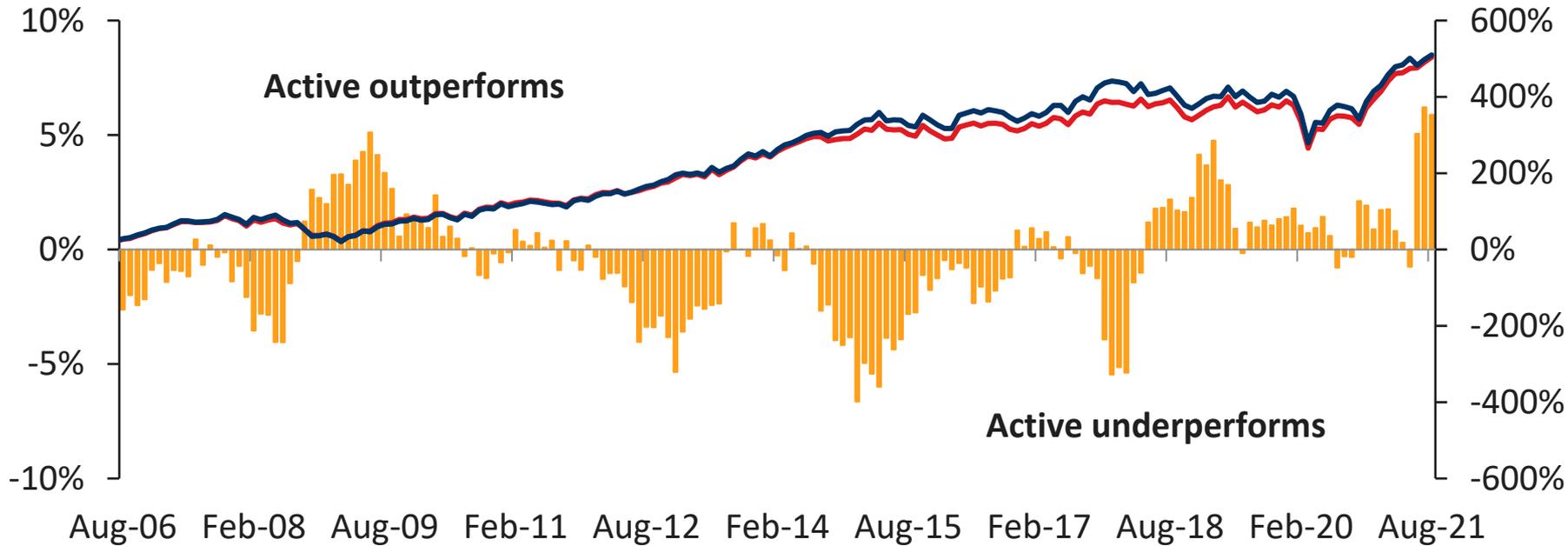
Three-year rand returns to October 2021



Active index analysis: Equities



One-year rolling active to August 2021

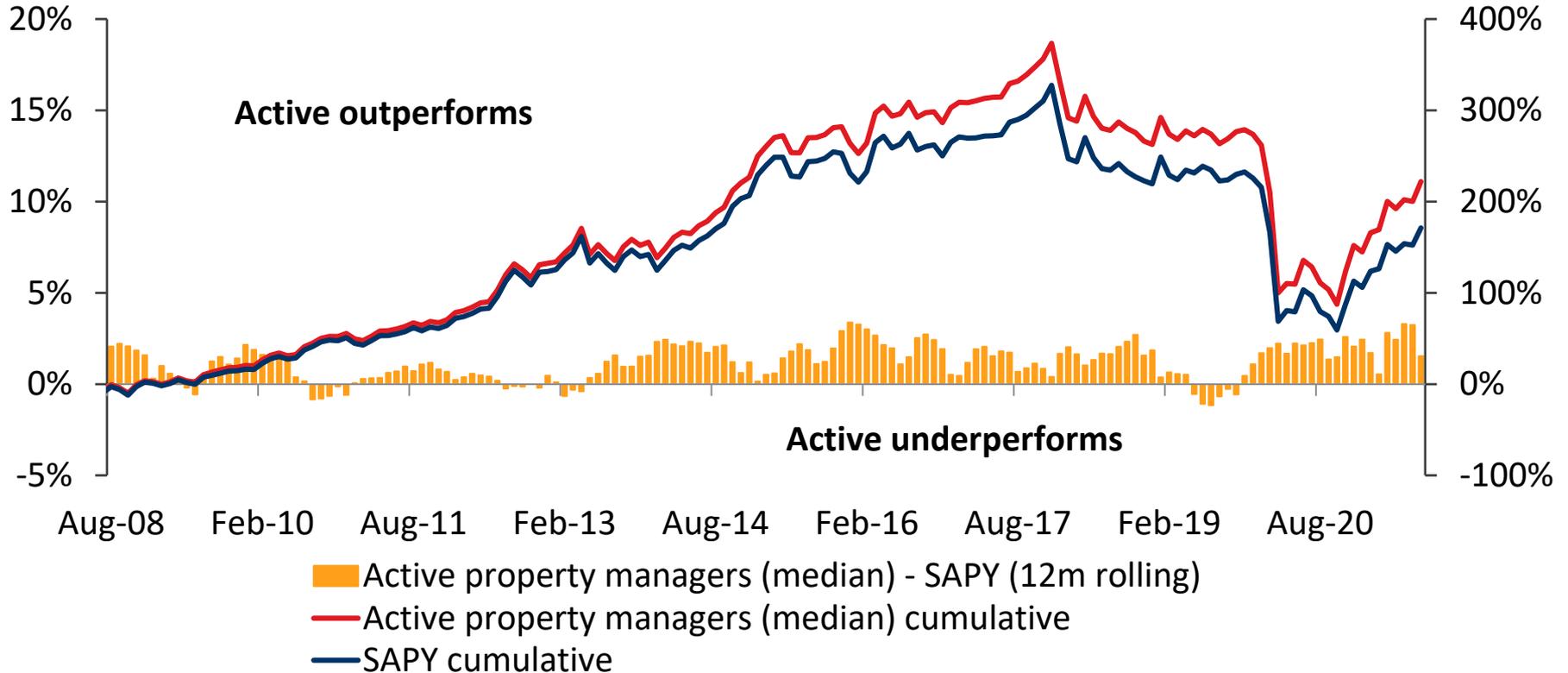


- Active equity managers - SWIX/Capped SWIX (12m rolling)
- Active equity managers cumulative
- SWIX/Capped SWIX cumulative

Active index analysis: Property



One-year rolling active to August 2021



Market index funds compared to smart beta funds



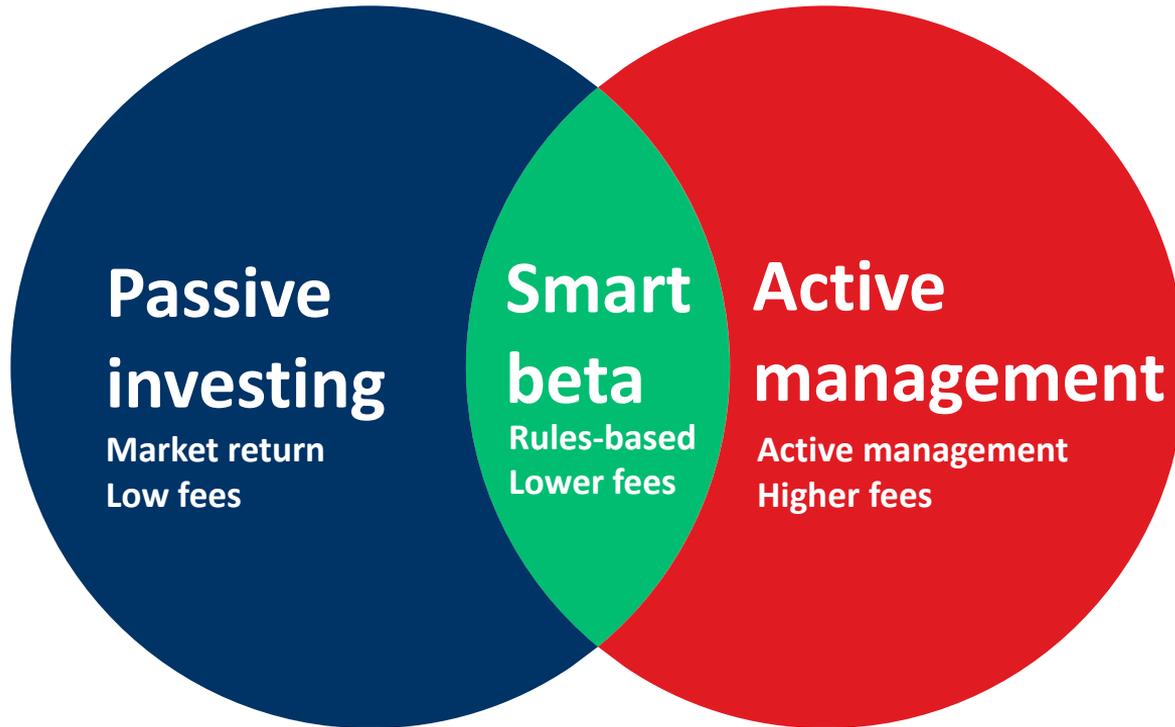
VS



Smart beta concept



The best of both worlds



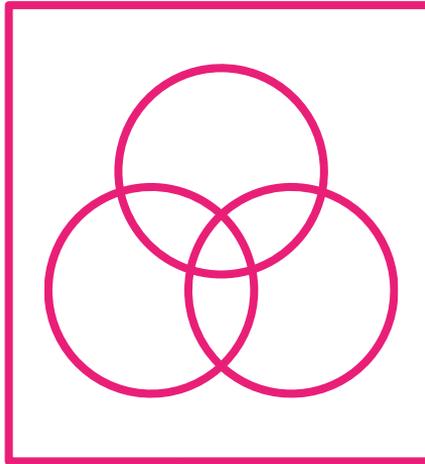
How we think about equity managers



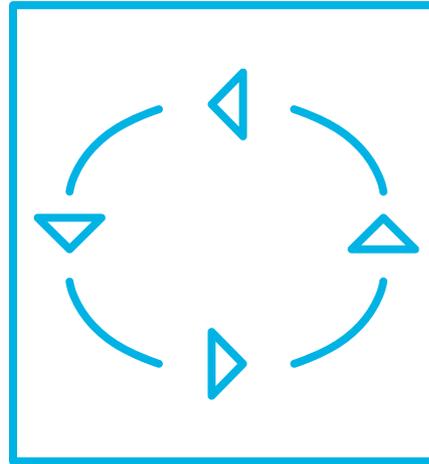
Responsible investment (RI) rating



Value



Core



Momentum

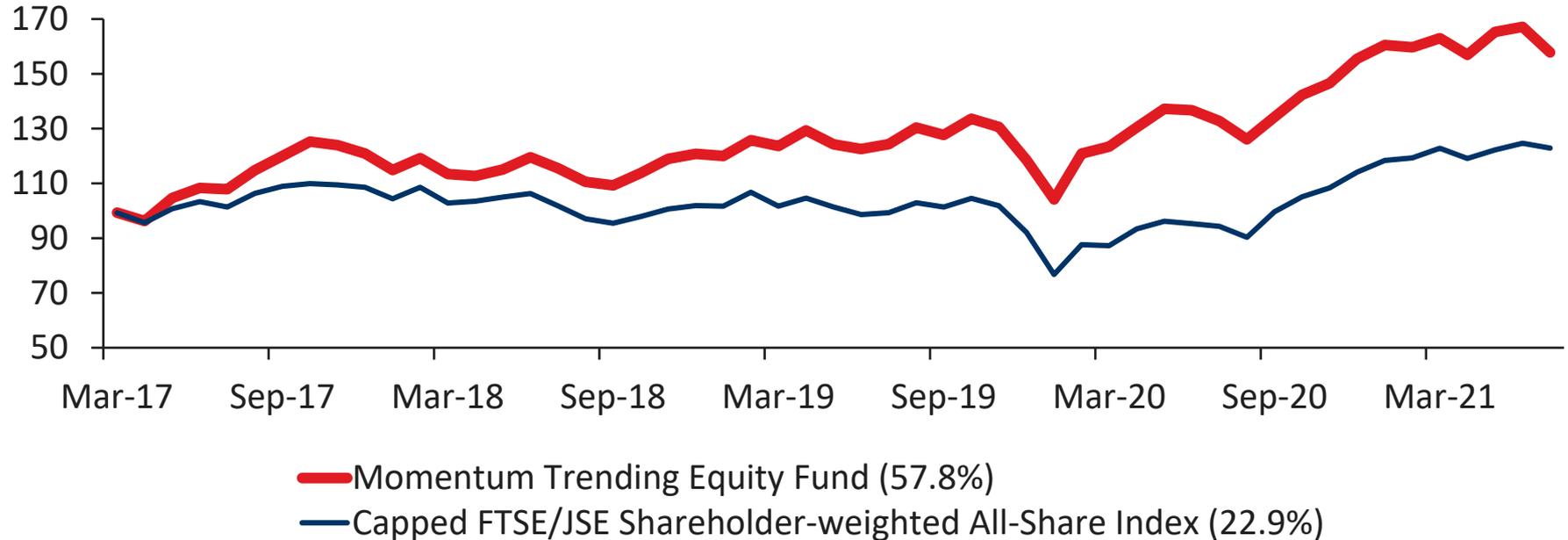


Quality

Momentum Trending Equity Fund investment returns



Since inception compared to the Capped FTSE/JSE Shareholder-weighted Index



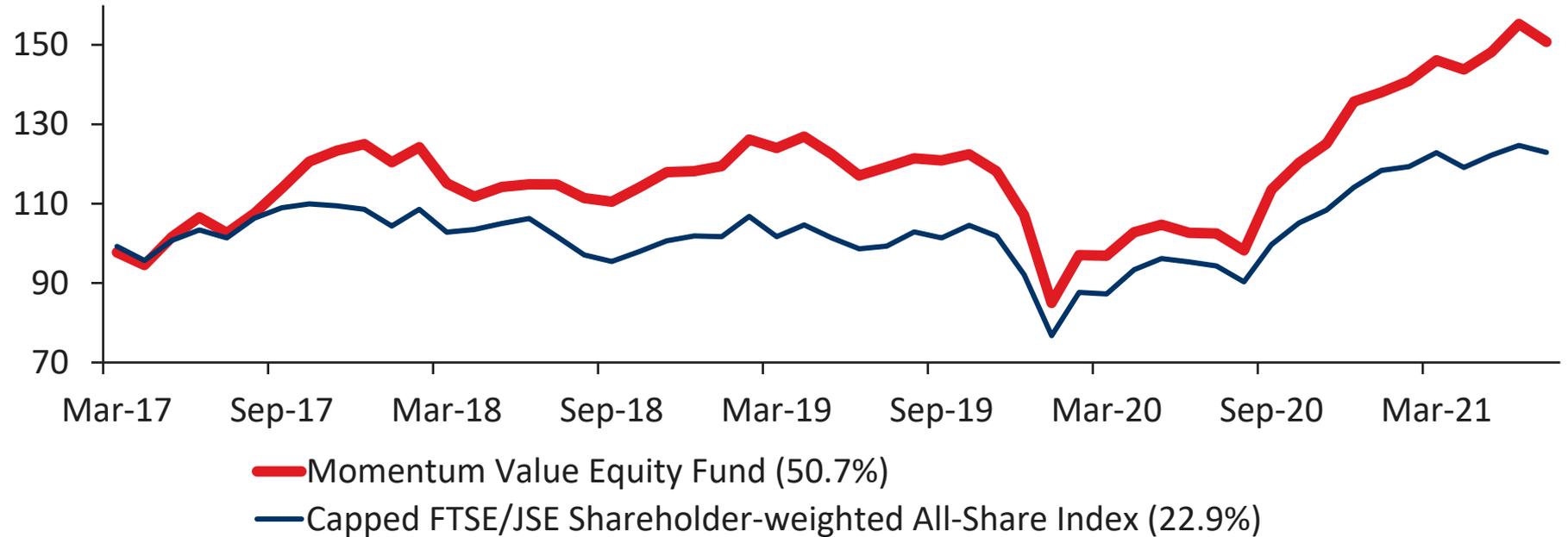
Sources: Morningstar and Momentum Investments

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Momentum Value Equity Fund investment returns



Since inception compared to the Capped FTSE/JSE Shareholder-weighted Index



Source: Momentum Investments

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The effect of blending styles in equity



With only one style, the journey is wild

Blended styles give a smoother journey

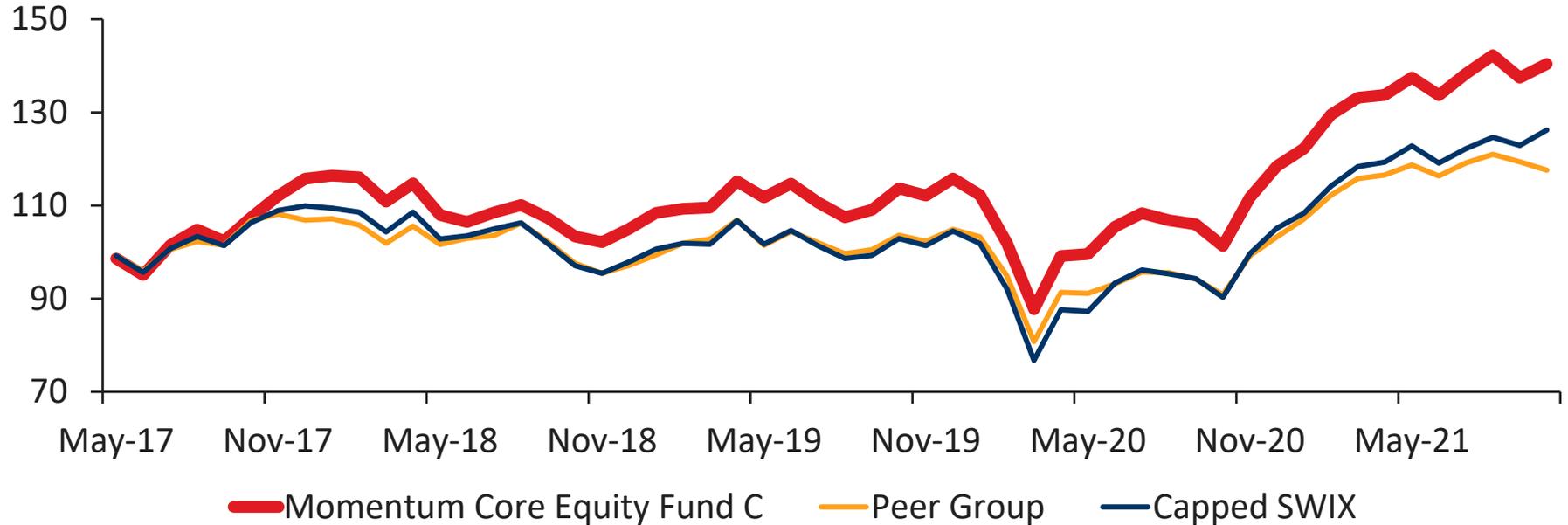
Don't try and time equity risk premia

Combine active and passive equity risk premia

Momentum Core Equity Fund investment returns



Since inception compared to the Capped FTSE/JSE Shareholder-weighted Index



Source: Momentum Investments

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Responsible investing in smart beta funds



Environmental

Promote transition
to low carbon
and sustainable
future



Social

Support the
development of
sustainable
communities



Governance

Advocate for ethical
and transparent
corporate
culture



CIS disclosure

This investment fund is administered by Momentum Collective Investments (RF) (Pty) Ltd (the management company), registration number 1987/004287/07, which is authorised in terms of the Collective Investment Schemes Control Act, No 45 of 2002 (CISCA) to administer collective investment schemes (CISs) in securities. The management company is the manager of the Momentum Collective Investments Scheme (the scheme) and a part of Momentum Metropolitan Life Limited, an authorised financial services provider (FSP) (FSP6406) under the Financial Advisory and Intermediary Services Act No. 37 of 2002 (FAIS), a registered credit provider (NCRCP173), a full member of the Association for Savings and Investment SA (Asisa) and rated B-BBEE level 1. Standard Bank of South Africa Limited, registration number 1962/000738/06, is the trustee of the scheme.

A fund of funds, apart from investments in liquid form, consists solely of participatory interests in investment funds of CIS, which may levy their own charges and could result in a higher fee structure for fund of funds than some other forms of CISs.

All investment fund returns are calculated for a class. Individual investor returns may differ as a result of fees, actual date(s) of investment, date(s) of reinvestment of income and withholding tax. All investment fund returns shown are after the deduction of the total investment charges (TIC) but exclude any initial or ongoing advisory fees that may, if applicable, be charged separately. Annualised returns, also known as compound annualised growth rates, are calculated from cumulative returns and provide an indication of the average annual return achieved from an investment that was held for the stated period. Actual annual figures are available from the management company on request. All investment fund return figures quoted (tables and charts where present) are based on a lump sum investment, using net asset value (NAV) to NAV prices with income distributions reinvested on the ex-dividend date. Inflation figures, where present, are lagged by one month. Cash figures, where present, are Short-term Fixed Interest Composite Index returns. All figures quoted in are in rand terms.

CISs are generally medium- to long-term investments. The value of participatory interests may go down as well as up and past returns are not necessarily a guide to the future. CISs are traded at ruling prices and can engage in borrowing and securities lending. The CIS may borrow up to 10% of the market value of the investment fund to bridge insufficient liquidity. Different classes of units apply to investment funds, which are subject to different fees and charges. A schedule of fees and charges and maximum commissions is available on request from the management company.

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This document should not be seen as an offer to purchase any specific investment fund and is not to be construed as advice. Investors are encouraged to obtain independent professional investment and taxation advice before investing with or in any of the management company's investment funds. The complaints policy and procedure as well as the conflicts of interest management policy are available at momentum.co.za.



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Thank you

